



State of Utah

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

## Department of Human Resource Management

JEFF C. HERRING, JD/MBA  
Executive Director

December 19, 2005

Dear State employee:

As I spoke with many employees on Thursday, Friday and over the weekend, it has come to my attention that there still remains a great deal of confusion regarding HB213 and what the Utah Supreme Court's decision last Thursday means. In an effort to help clarify the issue, I am having this letter sent to all State employees.

First, HB213 was a very complex piece of legislation, however there were two main changes that occurred in HB213 that you need to understand in order to understand the current situation. The changes were:

- 1) There was a change to the options available to State employees at retirement for any State employee that retired after December 16, 2005; and,
- 2) Beginning January 1, 2006, the sick leave accrued by State employees will be accrued in Program II (sick leave that goes into a 401K and Health Reimbursement Account and cannot be used to purchase health insurance at time of retirement.)

The only issue that was and currently is in front of the Utah Supreme Court is the first change described above (options available with sick leave hours accrued prior to January 1, 2006. Plaintiff's and their counsel conceded early in the hearing in November that the legislature can implement Program II starting on January 1, 2006. The "stay" granted by the Supreme Court on Thursday only extended the deadline for the ability to retire with all currently available options until after the Supreme Court has ruled if the legislature has the right to modify the options available with hours accrued prior to January 1, 2006.

Attempting to put this as simply as possible here is the current state of HB213.

- 1) **On January 1, 2006 all state employees will cease earning Program I sick leave hours** (sick leave hours that can be used for paid up health insurance at the time of retirement) and begin accruing Program II sick leave hours; and,
- 2) Employees can retire with **all of the same options** that are currently available (cash out, 401K, or paid up health insurance) **for all sick leave hours accrued prior to January 1, 2006** up until a limited period of time after the Utah Supreme Court makes a decision about how Program I hours may be used at the time of retirement.

If you have any further questions about the status of HB213, please contact your agency HR Director or DHRM. Thank you.

Sincerely,

Jeff C. Herring, JD/MBA  
Executive Director, DHRM